Focus - Market Readout

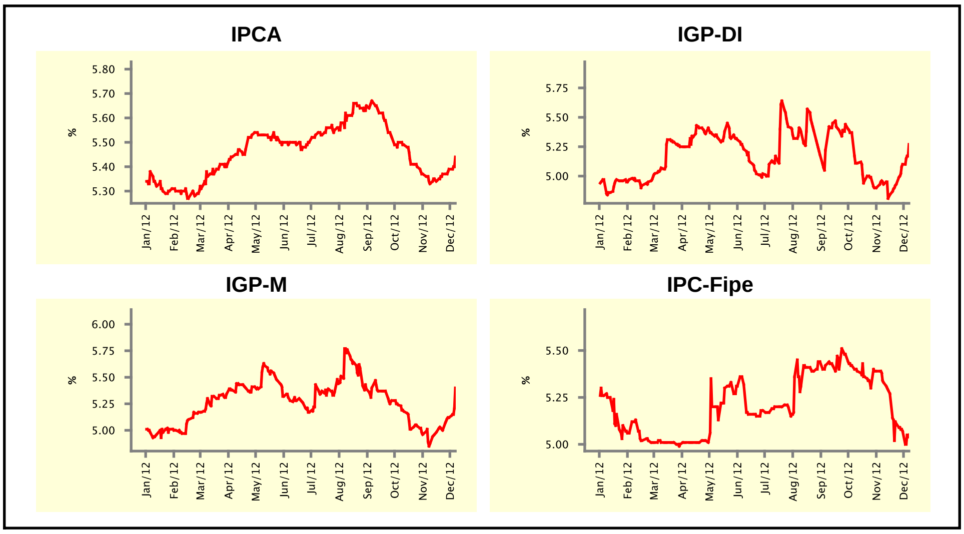
BANCO CENTRAL DO BRASIL

Gerin

December 7, 2012

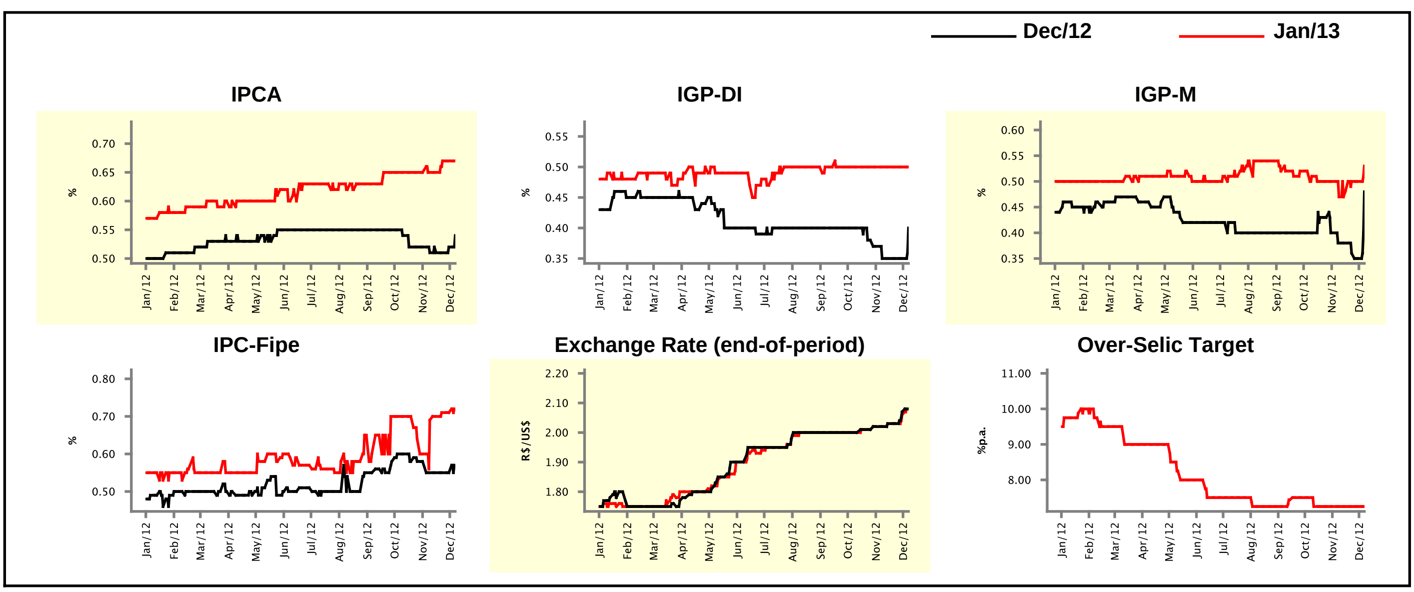
Market Expectations				
Inflation in the next 12 months - Smoothed				
Median - Aggregate	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	5.33	5.39	5.44	▲ (4)
IGP-DI (%)	4.93	5.10	5.27	▲ (3)
IGP-M (%)	4.87	5.12	5.40	▲ (4)
IPC-Fipe (%)	5.33	5.07	5.04	▼ (5)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲ increase, ▼ decrease or = stability)



Market Expectations								
Median - Aggregate	**Dec/12**				**Jan/13**			
	4 market readout ago	**1 week ago**	**Today**	**Weekly trend***	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	0.51	0.52	0.54	▲ (2)	0.65	0.67	0.67	= (2)
IGP-DI (%)	0.35	0.35	0.40	▲ (1)	0.50	0.50	0.50	= (19)
IGP-M (%)	0.38	0.35	0.48	▲ (1)	0.47	0.50	0.53	▲ (1)
IPC-Fipe (%)	0.55	0.55	0.57	▲ (1)	0.69	0.71	0.72	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.02	2.07	2.08	▲ (2)	2.02	2.06	2.08	▲ (2)
Over-Selic Target (%p.a.)	-	-	-		7.25	7.25	7.25	= (8)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲ increase, ▼ decrease or = stability)



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Market Expectations								
Median - Aggregate	2012				2013			
	4 market readout ago	1 week ago	Today	Weekly trend*	4 market readout ago	1 week ago	Today	Weekly trend*
IPCA (%)	5.46	5.43	5.58	▲ (1)	5.40	5.40	5.40	= (2)
IGP-DI (%)	7.81	7.64	7.80	▲ (1)	5.16	5.17	5.25	▲ (1)
IGP-M (%)	7.60	7.46	7.60	▲ (1)	5.17	5.11	5.29	▲ (1)
IPC-Fipe (%)	4.73	4.76	4.89	▲ (1)	4.85	4.90	4.95	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.02	2.07	2.08	▲ (2)	2.01	2.06	2.08	▲ (2)
Exchange Rate - average (R$/US$)	1.95	1.96	1.96	= (1)	2.01	2.06	2.08	▲ (4)
Over-Selic Target - end-of-period (%p.a.)	7.25	7.25	7.25	= (8)	7.25	7.25	7.25	= (4)
Over-Selic Target - average (%p.a.)	8.47	8.47	8.47	= (8)	7.25	7.25	7.25	= (4)
Net Public Sector Debt (% of GDP)	35.20	35.15	35.10	▼ (2)	34.00	34.00	34.00	= (10)
GDP Growth (% growth)	1.54	1.27	1.03	▼ (4)	4.00	3.70	3.50	▼ (4)
Industrial Production (% growth)	-2.32	-2.38	-2.27	▲ (1)	4.10	3.82	3.75	▼ (2)
Current Account (US$ billion)	-55.00	-54.00	-54.00	= (2)	-66.32	-65.00	-65.00	= (3)
Trade Balance (US$ billion)	18.90	20.00	20.00	= (1)	15.43	15.52	15.60	▲ (1)
Foreign Direct Investment (US$ billion)	60.00	60.00	60.00	= (5)	60.00	59.50	60.00	▲ (2)
Regulated Prices (%)	3.50	3.50	3.50	= (7)	3.40	3.40	3.50	▲ (2)

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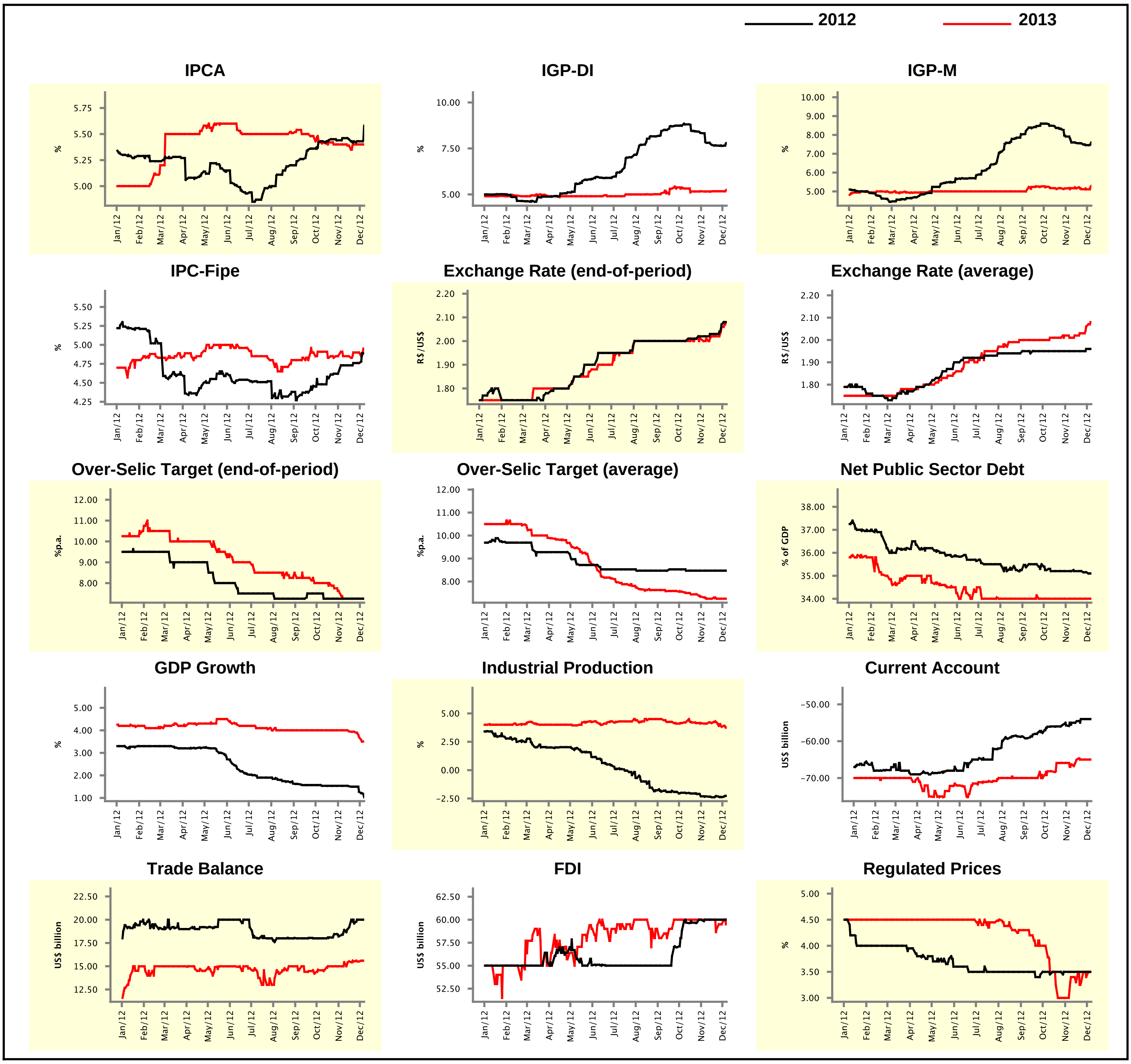

BANCO CENTRAL DO BRASIL
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Focus - Market Readout

December 7, 2012

Market Expectations								
Median - Top 5 - Short Term	**Dec/12**				**Jan/13**			
	4 market readout ago	**1 week ago**	**Today**	**Weekly trend***	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	0.53	0.53	0.58	▲ (1)	0.65	0.65	0.69	▲ (1)
IGP-DI (%)	0.50	0.57	0.57	= (3)	0.50	0.59	0.60	▲ (1)
IGP-M (%)	0.35	0.35	0.55	▲ (1)	0.45	0.45	0.48	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.11	2.08	▼ (1)	2.03	2.11	2.08	▼ (1)
Over-Selic Target (%p.a.)	-	-	-		7.25	7.25	7.25	= (8)

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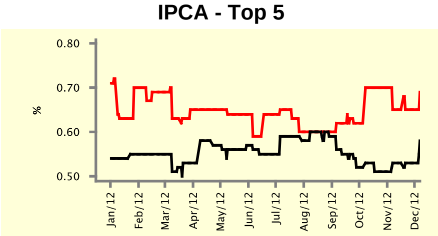
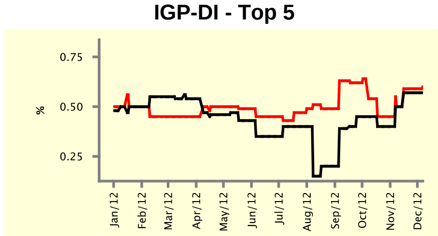
Dec/12 Jan/13

SHORT-TERM

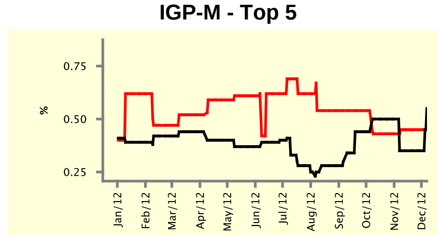
IPCA - Top 5



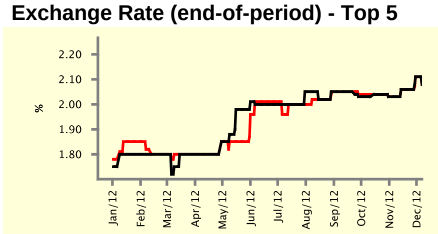
IGP-DI - Top 5



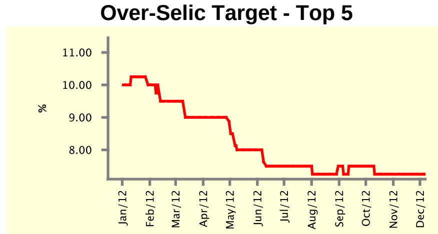
IGP-M - Top 5



Exchange Rate (end-of-period) - Top 5



Over-Selic Target - Top 5



Market Expectations								
Median - Top 5	**2012**				**2013**			
	4 market readout ago	**1 week ago**	**Today**	**Weekly trend***	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
Short Term								
IPCA (%)	5.45	5.42	5.61	▲ (1)	5.25	5.37	5.68	▲ (1)
IGP-DI (%)	8.07	7.72	8.00	▲ (1)	5.50	5.50	4.50	▼ (1)
IGP-M (%)	7.71	7.46	7.68	▲ (1)	4.59	4.59	5.18	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.11	2.08	▼ (1)	2.07	2.10	2.10	= (1)
Over-Selic Target - end-of-period (%p.a.)	7.25	7.25	7.25	= (8)	7.25	7.25	7.25	= (5)
Medium Term								
IPCA (%)	5.45	5.44	5.59	▲ (2)	5.56	5.64	5.57	▼ (1)
IGP-DI (%)	7.69	7.67	8.00	▲ (1)	4.75	4.88	4.50	▼ (1)
IGP-M (%)	7.51	7.57	7.60	▲ (2)	4.70	4.70	4.95	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.11	2.10	▼ (1)	2.10	2.12	2.12	= (1)
Over-Selic Target - end-of-period (%p.a.)	7.25	7.25	7.25	= (10)	7.25	7.25	7.25	= (9)

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Market Expectations								
Average - Top 5 - Short Term	**Dec/12**				**Jan/13**			
	4 market readout ago	**1 week ago**	**Today**	**Weekly trend***	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	0.55	0.54	0.56	▲ (1)	0.64	0.67	0.68	▲ (1)
IGP-DI (%)	0.45	0.47	0.53	▲ (1)	0.52	0.59	0.59	= (3)
IGP-M (%)	0.37	0.39	0.54	▲ (1)	0.50	0.50	0.52	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.10	2.10	= (1)	2.03	2.10	2.09	▼ (1)
Over-Selic Target (%p.a.)	-	-	-		7.25	7.25	7.25	= (5)

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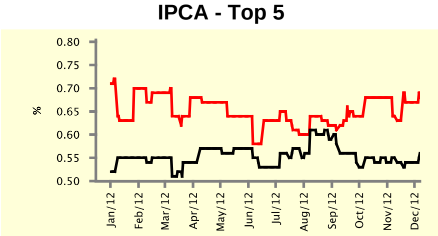
(▲ increase, ▼ decrease or = stability)

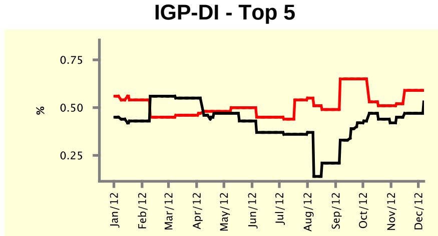
Dec/12 Jan/13

SHORT-TERM

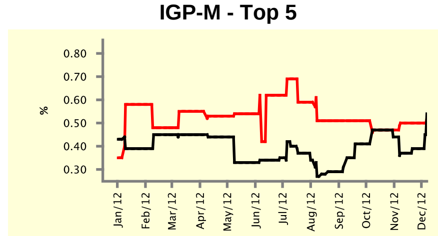
IPCA - Top 5



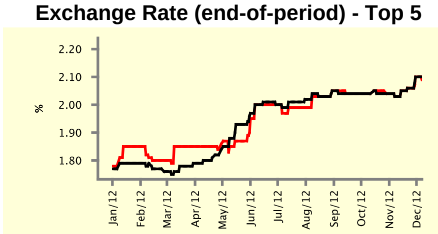
IGP-DI - Top 5



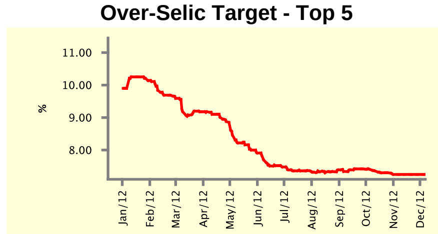
IGP-M - Top 5



Exchange Rate (end-of-period) - Top 5



Over-Selic Target - Top 5



Market Expectations								
Average - Top 5	**2012**				**2013**			
	4 market readout ago	**1 week ago**	**Today**	**Weekly trend***	**4 market readout ago**	**1 week ago**	**Today**	**Weekly trend***
Short Term								
IPCA (%)	5.47	5.43	5.60	▲ (2)	5.22	5.36	5.64	▲ (4)
IGP-DI (%)	8.08	7.78	7.96	▲ (1)	5.28	5.22	4.78	▼ (1)
IGP-M (%)	7.68	7.51	7.67	▲ (1)	4.63	4.63	5.07	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.10	2.10	= (1)	2.06	2.10	2.12	▲ (2)
Over-Selic Target - end-of-period (%p.a.)	7.25	7.25	7.25	= (5)	7.30	7.25	7.25	= (1)
Medium Term								
IPCA (%)	5.47	5.47	5.58	▲ (2)	5.49	5.60	5.53	▼ (1)
IGP-DI (%)	7.68	7.69	7.90	▲ (1)	4.82	4.94	4.49	▼ (1)
IGP-M (%)	7.55	7.54	7.62	▲ (2)	4.81	4.80	4.98	▲ (1)
Exchange Rate - end-of-period (R$/US$)	2.03	2.09	2.10	▲ (4)	2.09	2.13	2.14	▲ (2)
Over-Selic Target - end-of-period (%p.a.)	7.25	7.25	7.25	= (7)	7.25	7.13	7.05	▼ (2)

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